

0078

Incoming 00070039
task 2635

From: <Jeff_McKenzie@blm.gov>
To: <jblake@utah.gov>
Date: 9/13/2006 1:27:52 PM
Subject: Re: Fwd: Approval of Degas Well Site G-14A

John:

We agree with the decision to gather geologic samples and or data during the drilling of Degas well # G-14A.

This will provided needed geologic information for further defining the coal resources and reserves in the area.

Thanks,
Jeff

g

"Pete Hess"
<PETEHESS@utah.gov>
v> To
<Jeff_McKenzie@blm.gov>
09/13/2006 08:41 AM cc
<Steve_Rigby@blm.gov>
Subject
Fwd: Approval of Degas Well Site
G-14A

Here you go Jeff. Thanks for your quick response.

----- Message from "John Blake" <JBLAKE@utah.gov> on Tue, 05 Sep 2006
15:30:47 -0600 -----

To: <esass@archcoal.com>

cc: "jeff mckenzie" <Jeff_McKenzie@blm.gov>, <Steve_Rigby@blm.gov>, "Pete Hess" <PETEHESS@utah.gov>, "Tom Faddies" <TOMFADDIES@utah.gov>

Subj Approval of Degas Well Site G-14A
ect:

Mr. Erwin Sass
General Mine Manager
Dugout Canyon Mine, Utah

I received your request for permission to drill Degas well # G-14A into the coal seams in the northern part of SITLA coal lease ML 48435. I understand that the drill hole is intended to gather geological information necessary for expansion of the Dugout Canyon Mine. The coal lease is in good standing with Canyon Fuel Company, LLC as the lessee of record and SITLA hereby consents to the proposed drill hole.

SITLA consent notwithstanding, you must also obtain surface-use consent from the surface owner of the lands and meet all legal requirements of the Division of Oil, Gas & Mining relative to obtaining a coal exploration permit before proceeding with the proposed drilling operations. Please contact DOGM in regard to the latter.

I look forward to receiving a copy of the geophysical log, geologists' core log and any analytical data upon completion of the drilling project. Thank you for your cooperation in this matter.

John T. Blake
Trust land Specialist
Utah School and Institutional Trust Lands Administration
September 5, 2006

CC: <Steve_Rigby@blm.gov>, <James_Kohler@ut.blm.gov>, <Gregg_Hudson@blm.gov>, <Steve_Rigby@blm.gov>, <Stan_Perkes@ut.blm.gov>, <petehess@utah.gov>